

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Agricultural Commissioner	(2) MEETING DATE 9/24/2013	(3) CONTACT/PHONE Martin Settevedemie (805) 781-5913 Brenda Ouwerkerk (805) 781-1556	
(4) SUBJECT Presentation of Options for Agricultural Producers' Access to California Department of Food and Agriculture (CDFA) Labeled Diphacinone and Chlorophacinone Rodenticide Baits.			
(5) RECOMMENDED ACTION It is recommended that your Board: 1. Review the options for agricultural producers' access to CDFA labeled Diphacinone and Chlorophacinone rodenticide baits. 2. Provide direction to the Agricultural Commissioner staff for future action regarding agricultural producers' access to CDFA labeled Diphacinone and Chlorophacinone rodenticide baits.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input checked="" type="checkbox"/> Board Business (Time Est. <u>20mins</u>)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Geoff O'Quest, Administrative Analyst			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Agricultural Commissioner / Martin Settevedemie (805) 781
Brenda Ouwerkerk (805) 781-1556

DATE: 9/24/2013

SUBJECT: Presentation of Options for Agricultural Producers' Access to California Department of Food and Agriculture (CDFA) Labeled Diphacinone and Chlorophacinone Rodenticide Baits.

RECOMMENDATION

It is recommended that your Board:

1. Review the options for agricultural producers' access to CDFA labeled Diphacinone and Chlorophacinone rodenticide baits.
2. Provide direction to the Agricultural Commissioner staff for future action regarding agricultural producers' access to CDFA labeled Diphacinone and Chlorophacinone rodenticide baits.

DISCUSSION

On June 18, 2013, your Board provided general direction to staff to bring back information about availability of Diphacinone and Chlorophacinone rodenticide baits and options to address requests by agricultural producers for these baits to be made available for purchase locally. This staff report provides information about current and potential options for access to Diphacinone and Chlorophacinone rodenticide baits.

Background:

California Department of Food and Agriculture (CDFA) is the label registrant for Diphacinone and Chlorophacinone, oat formulated, rodenticide baits used for the control of ground squirrels. These baits are registered and labeled specifically to be sold by County Agricultural Commissioners in California, precluding the sale of these products by private vendors.

Prior to January, 2009, the San Luis Obispo County Agricultural Commissioner sold these baits. The price charged to customers for 50 pound bags of bait was calculated through a cost study and proposed to the Board of Supervisors in the Department's annual fee schedule. Historically, fee revenue offset the cost of this program by 92%. As part of the overall price, a state-mandated surcharge of \$0.50 per pound of Diphacinone and Chlorophacinone was collected at the time of sale and remitted to CDFA to maintain the registration of these pesticides.

Elimination of the Department's rodenticide bait program was authorized by the Board of Supervisors on January 20, 2009 in response to severe midyear budget reductions. At the time of program elimination, the Department negotiated with the Kings County Agricultural Commissioner, who agreed to sell Diphacinone and

Chlorophacinone baits directly to San Luis Obispo County farmers and ranchers from their Hanford office. At the time, prices charged by the Kings County Agricultural Commissioner were approximately 20% less than the prices charged by the San Luis Obispo County Agricultural Commissioner.

The Kings County Agricultural Commissioner continues to offer various pricing and delivery options to customers depending on the quantity of bait purchased. Diphacinone bait is also available for purchase from the Monterey County Agricultural Commissioner's King City office at comparable prices to that of Kings County.

Current Availability and Cost:

The following tables outline the current prices for bait from the Kings County and Monterey County Agricultural Commissioners (July 2013):

Purchases of less than 1,000 lb. (<20 bags)	KINGS COUNTY Picked-up in Hanford, Per 50 lb. bag, Includes tax, CDFA surcharge	KINGS COUNTY Shipped directly to customer, Per 50 lb. bag, Includes tax, CDFA surcharge, shipping	MONTEREY COUNTY picked up in King City Per 50 lb. bag, Includes tax, CDFA surcharge
Chlorophacinone 0.01%	\$88.69	\$113.69	n/a
Diphacinone 0.005%	\$80.63	\$105.63	\$79.72

Purchases of 1,000 lb. to 10,000 lb. (20 – 200 bags)	KINGS COUNTY Shipped directly to purchaser Per 50 lb. bag, Includes tax, surcharge, free shipping
Chlorophacinone 0.01%	\$107.24
Diphacinone 0.005%	\$97.56

Purchases of 10,000 lb. or more (>200 bags)	KINGS COUNTY Shipped only to one delivery point Per 50 lb. bag, Includes tax, surcharge, free shipping
Chlorophacinone 0.01%	\$82.24
Diphacinone 0.005%	\$72.56

Options for Availability:

In accordance with staff direction provided by the Board on June 18, 2013, the Agricultural Commissioner studied options for ways agricultural producers could obtain the CDFA labeled rodenticide baits. Following Board direction provided in June, the Department convened a Bait Advisory Committee consisting of representatives from the SLO County Cattlemen's Association, the SLO County Farm Bureau, the Independent Grape Growers of the Paso Robles Area, the Farm Supply Company, the University of California Cooperative Extension, Cal Poly and agricultural producers. The Committee evaluated the issues surrounding bait availability and provided input and guidance in developing the following recommendations:

1. The San Luis Obispo County Agricultural Commissioner should provide educational outreach to bait users, accomplishing the following:

- Remind users to order bait early from either Kings or Monterey Counties helping suppliers meet demand and maintain available inventory.
 - Review of labels and management techniques to ensure baits are used properly and as a part of an integrated approach to achieve the best ground squirrel control.
 - Review of current regulations to ensure baits are used safely and legally.
 - Preparation for bait users to take Private Applicator Certification exam, which is now a regulatory requirement.
 - Administer the exam at time of the training session, as determined by demand.
2. The San Luis Obispo County Agricultural Commissioner should collaborate with UC Cooperative Extension and the Farm Supply Company to present Integrated Pest Management (IPM) ground squirrel management training to the non-agricultural production, “ranchette”, rural property owners to mitigate the impacts of ground squirrel populations on their property and prevent re-infestation on neighboring agricultural operations. (Non-agricultural production sites have very limited control options. Use of the CDFA labeled Diphacinone and Chlorophacinone baits is prohibited on these types of sites.)
 3. The San Luis Obispo County Agricultural Commissioner should inform bait users about their ability to coordinate deliveries of 1,000 pounds or more from the Kings County Agricultural Commissioner to take advantage of lower cost or free shipping.
 4. If the San Luis Obispo County Agricultural Commissioner were to reestablish the rodenticide program, bait should be offered at the lowest possible price, but without any reductions to the department’s current service levels.

In addition the Bait Advisory Committee recommended the following options be presented to your Board for consideration:

OPTION 1:

Users continue to purchase bait directly from the Kings and Monterey County Agricultural Commissioners and the San Luis Obispo County Agricultural Commissioner increase outreach and education to rodenticide users.

No additional funding or staff would be required.

Impact to the County's General Fund contribution to the Department's budget: None.

Impact to San Luis Obispo County Agricultural Commissioner's existing programs and service levels: 100 staff hours within the Department's Pesticide Use Enforcement Program outreach would be redirected to provide vertebrate control information and training for rodenticide users.

OPTION 2:

The San Luis Obispo County Agricultural Commissioner's bait program is reinstated at 100% cost recovery rate, and additional staff services are funded by bait fees.

According to Board policy, whenever reasonable, in order to establish or reinstate a Departmental program, the program shall have offsetting revenues and provide communitywide results. Historically, less than 150 customers purchased bait from the San Luis Obispo County Agricultural Commissioner annually. Approximately one third of those customers were infrequent or one time purchasers.

An annual budget augmentation of a 0.25 FTE Agricultural Technician and related expenses is required.

Estimated prices, based on historical annual sales of 30,000 lb.:

	SAN LUIS OBISPO CO. Picked up at Ag Commissioner's office Per 50 lb. bag, Includes tax, CDFA surcharge
Chlorophacinone 0.01%	\$160.08
Diphacinone 0.005%	\$146.87

To realize 100% revenue offset levels, the following conditions apply:

- Bait would be available for purchase at all three of the Agricultural Commissioner's offices, about May 1 through November 1, during regular office hours:
 - Templeton: M-F 12:00 to 2:00
 - Arroyo Grande: M-F 12:00 to 2:00
 - San Luis Obispo: M-F 1:00 to 5:00
- The Department's inventory may occasionally become depleted due to limited storage capacity and the need to purchase full loads from Kings County to take advantage of free freight charges. Customers would be encouraged to place bait orders in advance of actual need.
- The Agricultural Commissioner would provide 100 hours annually of training outreach to bait users to accomplish goals listed above in Option 1.

Impact to the County's General Fund contribution to the Department's budget: none.

Impact to San Luis Obispo County Agricultural Commissioner's existing programs and service levels:

The increase of a 0.25FTE staff position and other related expenses would restore local bait availability to agricultural producers and provide outreach training to rodenticide users on vertebrate control information.

OPTION 3:

The San Luis Obispo County Agricultural Commissioner's program is reinstated at 66% cost recovery rate, and additional staff services funded by the County General Fund

An annual budget augmentation of a 0.25 FTE Agricultural Technician and related expenses is required. This option violates the Board's full cost recovery policy.

Estimated prices, based on historical annual sales of 30,000 lb.:

	SAN LUIS OBISPO CO. Picked up at Ag Commissioner's office Per 50 lb. bag, includes tax, surcharge
Chlorophacinone 0.01%	\$107.89
Diphacinone 0.005%	\$ 94.67

This option satisfies the Department's Bait Advisory Committee recommendation that prices be as low as possible, but without any reduction in the Department's current service levels. Bait prices are offered at levels comparable to Kings and Monterey County prices. To maintain current service levels, an annual allocation from the County General Fund to fund a 0.25FTE staff position is required in order to provide bait sales activities and the desired vertebrate control educational outreach program.

Impact to the County's General Fund contribution to the Department's budget: \$31,317 annually

Impact to San Luis Obispo County Agricultural Commissioner's existing programs and service levels:

The 0.25FTE staff increase would restore bait sales activities and create a ground squirrel control educational outreach program with no impact to other programs or service levels.

The three options are summarized in the following table:

Estimated First Year Costs			
Options for Ag Producers' Access to Bait			
Option	1	2	3
Bait Cost to Customers			
Chlorophacinone .01%	\$ 88.69 *	\$ 160.08	\$ 107.89
Diphacinone .005%	\$ 80.63 *	\$ 146.87	\$ 94.67
Annual Program Cost	\$ -	\$ 92,085	\$ 92,085
Annual Program Revenue	\$ -	\$ 92,085	\$ 60,768
Change in General Fund	\$ (0)	\$ (0)	\$ 31,317
Cost Recovery for Department	0%	100%	66%
Department Services Impact	NO PAL CHANGE 100 staff hours redirected from Pesticide Use Enforcement program grower safety information during permit issuance to ground squirrel control educational outreach.	INCREASED PAL .25 FTE increase in Bait Sales activities & ground squirrel control educational outreach.	INCREASED PAL .25 FTE increase in Bait Sales activities & ground squirrel control educational outreach.
Unclaimed Gas Tax Revenue Impact	N/A	None	Increase

* Cost from Kings County when bait picked up in Hanford

OTHER AGENCY INVOLVEMENT/IMPACT

The following individuals, agencies and organizations were consulted:

SLO County Cattlemens' Association, the SLO County Farm Bureau, the Independent Grape Growers of the Paso Robles Area, the Farm Supply Company, the University of California Cooperative Extension, Cal Poly, numerous agricultural producers, Monterey County Agricultural Commissioner, Kings County Agricultural Commissioner and forty five other Agricultural Commissioners throughout California, as well as, the California Department of Food and Agriculture.

FINANCIAL CONSIDERATIONS

If Option 3 were selected, an annual budget augmentation of \$31,317 would be needed from General Fund Contingencies to fund a Departmental bait sales program. Actual costs for all options would be determined annually, based on fluctuations in the price of bait from the Kings County Agricultural Commissioner, staff salaries, and actual bait sales volumes.

RESULTS

The Board's direction to the staff of the Agricultural Commissioner will provide guidance on how agricultural producers in San Luis Obispo County can access the CDFA labeled Diphacinone and Chlorophacinone rodenticide baits.